



February 9, 2001

SENATE BILL No. 427

DIGEST OF SB 427 (Updated February 7, 2001 1:31 PM - DI 104)

Citations Affected: IC 16-42.

Synopsis: Generic drugs under CHIP. Requires a pharmacist who fills a prescription that is covered under the children's health insurance program (CHIP) to fill the prescription with a generically equivalent drug product and inform the customer of the substitution if the substitution results in a lower price, unless the prescribing practitioner indicates that the prescription must be filled with a brand name drug.

Effective: July 1, 2001.

Meeks R, Young R, Breaux

January 18, 2001, read first time and referred to Committee on Health and Provider Services.
February 8, 2001, reported favorably — Do Pass.

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SB 427—LS 8073/DI 97+



February 9, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

SENATE BILL No. 427

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 16-42-22-8, AS AMENDED BY P.L.239-1999,
2 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2001]: Sec. 8. (a) For substitution to occur for a prescription
4 other than a prescription filled under the Medicaid program (42 U.S.C.
5 1396 et seq.), **the children's health insurance program established**
6 **under IC 12-17.6-2**, or the Medicare program (42 U.S.C. 1395 et seq.):
7 (1) the practitioner must sign on the line under which the words
8 "May substitute" appear; and
9 (2) the pharmacist must inform the customer of the substitution.
10 (b) This section does not authorize any substitution other than
11 substitution of a generically equivalent drug product.
12 SECTION 2. IC 16-42-22-10, AS AMENDED BY P.L.239-1999,
13 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2001]: Sec. 10. (a) If a prescription is filled under the
15 Medicaid program (42 U.S.C. 1396 et seq.), **the children's health**
16 **insurance program established under IC 12-17.6-2**, or the Medicare
17 program (42 U.S.C. 1395 et seq.), the pharmacist shall substitute a

SB 427—LS 8073/DI 97+



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1 generically equivalent drug product and inform the customer of the
2 substitution if the substitution would result in a lower price unless:

3 (1) the words "Brand Medically Necessary" are written in the
4 practitioner's own writing on the form; or

5 (2) the practitioner has indicated that the pharmacist may not
6 substitute a generically equivalent drug product by orally stating
7 that a substitution is not permitted.

8 (b) If a practitioner orally states that a generically equivalent drug
9 product may not be substituted, the practitioner must subsequently
10 forward to the pharmacist a written prescription with the "Brand
11 Medically Necessary" instruction appropriately indicated in the
12 physician's own handwriting.

13 (c) This section does not authorize any substitution other than
14 substitution of a generically equivalent drug product.

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SENATE MOTION

Mr. President: I move that Senator Young R be added as coauthor of Senate Bill 427.

Meeks R

SENATE MOTION

Mr. President: I move that Senator Breaux be added as coauthor of Senate Bill 427.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 427, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 427 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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SB 427—LS 8073/DI 97+

